

**DIVISION CIRCULAR #50
(N/A)**

**DEPARTMENT OF HUMAN SERVICES
DIVISION OF DEVELOPMENTAL DISABILITIES**

EFFECTIVE DATE: July 12, 2004

DATE ISSUED: July 12, 2004

(This circular rescinds Division Circular 50, "Challenge Grants" issued February 23, 2000.)

I. TITLE: CHALLENGE GRANT

II. PURPOSE: To establish guidelines for the Division to provide a Challenge Grant to a person on the urgent waiting list.

III. SCOPE: This circular applies to all components of the Division as well as agencies regulated by or under contract with the Division.

IV. POLICIES:

Persons who are currently on the urgent waiting list for community residential placement may be served through the use of a Challenge Grant.

A Challenge Grant may not exceed \$10,000 per person, per year.

The availability of Challenge Grants shall be limited to the dollar amount established by the Legislature for that Fiscal Year.

An individual who is served through a Challenge Grant shall have his or her name removed from the urgent waiting list for community residential placement.

A Challenge Grant shall be made to the Primary Recipient. If the Primary Recipient moves from a currently funded placement, the person who is placed in the ensuing vacancy may receive a secondary benefit from the Challenge Grant.

A Challenge Grant may be used to assist the person in living in an independent setting or with his or her family.

If the person receiving a Challenge Grant no longer wants the Challenge Grant or is in need of more support than can be provided with a challenge grant, he or she may be offered an available placement.

Where a placement is not immediately available, the persons may be returned to the urgent waiting list with the date assigned that he or she had prior to the challenge grant.

V. GENERAL STANDARDS:

- A. For the purpose of this circular, the following terms shall have the meaning defined herein:

“Challenge Grant” means funds provided to an agency, which may be used in combination with other resources available to an individual, which will meet the individual’s needs sufficiently to allow an individual to be removed from the urgent waiting list.

“Division” means the Division of Developmental Disabilities.

“Placement” means any action other than a Challenge Grant or a pilot program taken by the Division to address an individual’s need for services which allows the person to be removed from the urgent waiting list for residential services.

“Primary Recipient” means the person whose placement is supported through the funding of the Challenge Grant. He or she shall be the person to whom the Challenge Grant is provided.

“Secondary Recipient” means an individual who receives a secondary benefit from the Challenge Grant as in the case of an individual who may be placed in a presently funded vacancy left by the Primary Recipient. The Secondary Recipient is not considered to have received a Challenge Grant.

“Waiting List” means a roster of eligible developmentally disabled individuals waiting for community based services who are not currently receiving residential services or are awaiting residential services while in placement from another funding source(s).

- B. A Challenge Grant may not be paid directly to an eligible individual, his or her legal guardian or family.

- C. A Challenge Grant shall be paid only to a provider agency under contract with the Division
- D. The individual may use the Challenge Grant in combination with all other funds available to him or her including but not limited to Supplemental Security Income, earned income, and family contributions.
- E. If the person receives family support as defined in Division Circular 39, family support shall be discontinued once a challenge grant is awarded.

VI. PROCEDURES:

- A. An individual on the Urgent Waiting List or his or her legal guardian may request the award of a Challenge Grant.
- B. A request for a Challenge Grant shall be made to the Regional Office of Community Services.
- C. If the individual or his or her legal guardian prefers to work with a specific agency, staff of the Regional Office shall approach the agency to determine if services needed can be provided through a Challenge Grant.
- D. If there is no preferred agency or the preferred agency cannot provide services through a Challenge Grant, staff of the Regional Office shall approach other provider agencies within the region in which the individual currently resides.
- E. A referral package will be provided by the Regional Office if an agency expresses interest in providing the service.
- F. A provider agency seeking to offer services through a Challenge Grant shall submit a letter accepting the individual into its services to the Regional Administrator and describing the services to be offered to the individual.
 - 1. The provider agency may utilize resources offered by the individual, legal guardian or family.
 - 2. The provider agency may propose to transfer the Primary Recipient presently placed with the provider agency to less restrictive settings. The vacancy may be used to place a Secondary Recipient from the waiting list.

- G. Upon receiving a written offer to serve the individual and the acceptance of the offer by the individual or legal guardian, the Regional Office shall amend the contract with the provider agency to include the Challenge Grant.
- H. If after an individual is placed through the use of a Challenge Grant and the individual no longer wants a Challenge Grant or is in need of more services than can be provided through a challenge grant, the individual who received the Challenge Grant may:
 - 1. Be offered another program within the agency.
 - 2. Be offered another program within the region.
 - 3. Be considered to be in need of an emergency placement as defined in Division Circular 12; or
 - 4. Be returned to his or her original living arrangement if available. In this instance, the person shall be placed back on the urgent waiting list with the date he or she had prior to the Challenge Grant. If the individual had no prior waiting list date, he or she may be assigned as of the date of the first Division placement.
- I. If the individual is no longer served by the agency, the contract shall be reduced by the amount of the Challenge Grant except that the contract shall be subject to negotiation with the Division.
- J. The Primary Recipient is exempt from contributions toward his or her care and maintenance under N.J.A.C. 10:46.
- K. The Secondary Recipient is subject to contributions toward his or her care and maintenance under N.J.A.C. 10:46.

James W. Smith, Jr.
Director